



South Carolina House of Representatives

Legislative Update

Robert W. Harrell, Jr., Speaker of the House

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NOTE: THESE SUMMARIES ARE PREPARED BY THE STAFF OF THE SOUTH CAROLINA HOUSE OF REPRESENTATIVES AND ARE NOT THE EXPRESSION OF THE LEGISLATION'S SPONSOR(S) OR THE HOUSE OF REPRESENTATIVES. THEY ARE STRICTLY FOR THE INTERNAL USE AND BENEFIT OF MEMBERS OF THE HOUSE OF REPRESENTATIVES AND ARE NOT TO BE CONSTRUED BY A COURT OF LAW AS AN EXPRESSION OF LEGISLATIVE INTENT.

HOUSE WEEK IN REVIEW

The House of Representatives gave second reading approval to **H.3620**, the Fiscal Year 2007-2008 **GENERAL APPROPRIATIONS ACT**, and **H.3621**, a joint resolution providing for **CAPITAL RESERVE FUND APPROPRIATIONS**. Highlights of the \$7.3 billion **FISCAL YEAR 2007-2008 STATE GOVERNMENT BUDGET** plan include:

STATEWIDE ITEMS:

General Reserve Fund - The incremental contribution of \$19,048,978 increases the balance in the fund to \$186,780,797 which is equal to 3% of the General Fund revenue from the last completed fiscal year as provided for in Section 36 (A) of the SC Constitution.

Capital Reserve Fund - The incremental contribution of \$12,699,319 increases the balance in the fund to \$124,520,532 which is equal to 2% of the General Fund revenue from the last completed fiscal year as provided for in Section 36 (B) of the SC Constitution.

Local Government Fund - The increase of \$30,823,468 brings the total appropriation to \$280,171,196. This is the equivalent of 4.5% of the General Fund revenue from the last completed fiscal year as provided for in statute.

State Employee Pay Plan – A 3 percent base pay increase is provided to state employees with \$55.2 million in recurring dollars.

State Health Insurance Plan – The health insurance plan for State Employees and Retirees is fully funded so that there will be no premium increases or changes in benefits to plan participants. The recurring funds for this annualization from FY06-07 and growth are \$38.5 million.

The Tuition Prepayment Program- The plan allows families to pay for tuition at any of SC's public colleges in advance. A funding problem arose when much higher than expected tuition increases were compounded by lower than expected investment returns. Funds are provided to reduce the unfunded liability of the Tuition Prepayment Program.

Other Post Employment Benefits Trust Fund (OPEB)- Changes made by the Government Accounting Standards Board (GASB) require states to begin accounting for Retirees Health Insurance benefits to be reported on an actuarial basis. This year's appropriation (the first of several "payments" into a newly created Trust Fund) is \$47.4 million recurring and \$16.1 million in non-recurring funds. In addition, the Part II proviso establishing this fund provides for the transfer of a projected \$136,400,000 in excess funding above what is required to keep the health insurance fund actuarially sound with 140% of projected incurred but not reported (IBNR) claims.

Income Tax Bracket Adjustment - The top marginal rate for the South Carolina income tax is lowered from 7% to 6.8% through a Part II proviso. This change reduces recurring revenue by \$80,980,000.

PUBLIC EDUCATION

Education Finance Act (EFA) - The EFA is fully funded at \$93,950,869, for a base student cost of \$2,467. The total average funding per pupil is projected to be \$10,566. That is broken down into \$4,571 state, \$1,066 federal and \$4,929 local.

Four-Year Old Pre-Kindergarten Child Development Education Program - is funded at a total amount of \$17,153,073. This is the second year of a two-year pilot program available in the trial and plaintiff districts only. The per-student funding has been increased to \$3,931 for the second year of the pilot program.

School Buses - The replacement cycle for school buses is fully funded at \$30,546,069, which includes \$1.5 million for the purchase of school bus service vehicles. School buses, parts, fuel, and other school transportation items are funded at \$30,953,931.

Education and Economic Development Act - is funded at \$20,915,360. This will fund 279 additional career specialists for high schools, expand current dropout prevention programs, and funding for the SC Academic Career Management System. \$800,000 is also included in this item for a proviso directing the Department to establish a grant program for statewide trade associations or educational foundations providing nationally certified programs in established career clusters. The High Schools that Work program, a whole school reform model used in the implementation of the EEDA, receives \$1,000,800 in a separate line item.

Assessment for Learning Act - is funded at \$3,950,000. This act requires the Department to develop an adoption list for formative assessments, and provide funding for school districts to purchase these assessments. Formative assessments are given and scored within the same school year, providing feedback to teachers on a student's progress.

Student Health and Fitness Act - is funded at \$8,000,704. These funds will complete the reduction of the student to physical education teacher ratio to 600-1. It will also begin the process of funding grants to school districts to hire full time licensed nurses at elementary schools.

Young Adult Education - received an additional \$1,600,000. This program is targeted at students 17-21 who leave traditional high schools and enter the school district's adult education program. The Education Oversight Committee 2003-04 budget recommended funding adult education at \$1,000 per student in this age group. This is year three of a ten-year effort to reach the recommended funding level.

Program for Alternative Certification of Teachers (PACE) - receives \$1,536,690. A federal grant has helped support the first five years of program implementation, but those grant funds are no longer available. This replaces that funding and will fund four additional FTE's to decrease the turnaround time for inquiries and help manage the increasing program participation.

Educator Certification Program - receives \$190,343 to fund four additional FTE's. These additional certification analysts will make it possible for the Office of Educator

Certification to reduce the current backlog of cases, which can reach twelve to fifteen weeks during peak certification periods.

Teacher Supplies – the amount provided to teachers for purchasing classroom supplies is increased from \$250 to \$275.

K-12 Technology Initiative - receives \$13,000,000 in additional non-recurring funding.

Mathematics and Science Centers - receives an additional \$499,427. This program targets improvements in math and science through high quality research based professional development activities. This activity supports the state's economic development strategy by increasing the number of students prepared to enter science, mathematics, engineering and technology careers.

The Governor's School for Arts and Humanities receives \$3,500,000 in non-recurring funding to complete the residence hall reconfiguration project.

The Governor's School for Science and Mathematics receives \$14,926,031 to complete the Phase II Campus Construction project.

The Educational Television Commission

Education Satellite Services - receives \$1.4 million, which provides funding for a contract for satellite services. The satellite service is an integral part of ETV's offerings to public schools, colleges, state and local government agencies, and law enforcement.

The K-12 Educational Services program - receives \$2,710,600. This program was transferred to ETV from the K-12 Technology Initiative in order to provide a stable funding stream. This funds StreamlineSC, ETV's standards based internet video on demand service, Knowitall.org, ETV's education web portal, and Network Technical Services, which provides hands on technical assistance to schools including the installation and maintenance of equipment to receive ITV/ETV programs.

Radio and Television Transmission - receives \$485,000 for maintenance and repairs of ETV's 11 television stations and 8 radio stations.

HIGHER EDUCATION, TECHNICAL AND CULTURAL AGENCIES

Life Scholarships - Commission on Higher Education (CHE) receives \$31.7 million to continue funding this scholarship program.

Education and General Funding for Institutions - CHE receives \$19 million, which provides funding for operating costs for instruction, services, and on-going operating activities of the institutions. Funds will be distributed to institutions.

Education And Economic Development Act - CHE receives \$275,000 for the purchase of technology systems as required by the Education and Economic Development Act. Systems are web-based and funding will be used to purchase software, hardware, and licensing for a system that allows for student transcript

evaluation, assistance in academic planning, and a statewide portal enabling student access to all information required to plan, apply and pay for college.

SREB Programs and Services - CHE receives \$527, 250 to cover increased fees for Southern Regional Education Board (SREB) programs and services. Participation through SREB allows South Carolina students to take advantage of higher education offerings not otherwise available in South Carolina at reduced rates: Veterinary Medicine, Optometry, and other Academic Common Market programs are examples. SREB participation allows the state to gain access regional initiatives and policy research.

LightRail – funding is provided to access this broadband, high-speed optical research network that will link all major research universities (Clemson, USC, MUSC) with their hospital partners - Greenville, Spartanburg Regional, Palmetto Health and MUSC hospital authority. This research network will allow for the capability of information exchange in large data sets.

OPT- Observatory, Planetarium, Theater - The State Museum receives \$ 2.5 million to fund an astronomical observatory, a multimedia planetarium and an interactive theater (OPT).

HEALTH, HUMAN SERVICES AND MEDICAID

Department of Health and Human Services:

Medicaid Maintenance of Effort- To maintain the current level of benefits and enrollees HHS receives \$30 million that includes \$8M for the annual cost of living increase for nursing homes as well as \$3M for the mandatory Medicare premium rate increase. The program experienced a growth rate of less than 3% in 2006. The projected growth rate for 2008 is 5%.

Institutes for Mental Disease (IMD) Transition Plan - IMD is defined as a hospital, nursing facility, or other institution of more than sixteen beds that is primarily responsible for providing diagnosis, treatment and/or care of individuals with mental disease, including medical attention, nursing care and related services. HHS receives \$13M to implement phase one of a three-year transitional plan to replace the loss of federal funding for rehabilitative services rendered in a group home setting.

Rural Hospital Grants - HHS receives \$2,000,000 to ensure access to quality health care services across the state in the areas of preventive health programs, physician recruitment and retention activities.

Prevention Partnership Grants - HHS receives \$2,000,000 to fund competitively awarded grants that target the prevention of significant health problems across the state.

Medicaid Eligibility - Additional Funding - The 2006 Deficit Reduction Act (DRA) requires Medicaid programs to document citizenship of nearly all Medicaid applicants (excluding Medicare and SSI beneficiaries). HHS receives \$500,000 to work in conjunction with the Department of Motor Vehicles (DMV) and the Department of Environmental Health and Control (DHEC) to verify citizenship of Medicaid applicants.

Private Rehabilitative Therapy Liability - Centers for Medicare and Medicaid (CMS) revised the fee schedule for: speech therapy, physical therapy, audiological services and occupational therapy services rendered to children under 21 years of age. HHS receives \$1,500,000 to equitably reimburse public and private providers. The payment rates to private providers will be increased to 85% of the Medicare Rate to ensure equitability.

Outpatient Hospital Rates - Based upon FY 2006 Outpatient Hospital Medicaid Upper Payment Limit Schedule, current Medicaid hospital reimbursements cover approximately 41% of hospitals allowable Medicaid outpatient costs. HHS receives \$5,000,000 to bring this level up to a projected 56% of their FY 2006 allowable Medicaid outpatient costs.

Children's Health Insurance Program (CHIPs) - HHS receives \$22,067,544 to establish a separate, stand-alone plan, which includes dental and visual benefits, under the authority of the State Children's Health Insurance Program (SCHIP) for the purpose of expanding eligibility for children up to two hundred percent (200%) of the prevailing federal poverty level. HHS will impose premiums and/or cost sharing requirements on a sliding scale.

Shared Care - Shared Care receives \$500,000 to continue in its efforts to provide primary care on a pro bono basis to eligible underinsured and uninsured individuals.

Federally Qualified Community Health Centers - Carolina Health Centers, Inc. receives \$500,000 to expand its pharmacy services to include delivery of prescription medication to six of its twelve practices sites serving over 500 patients in the following county-areas: Abbeville, Edgefield, Greenwood, Laurens, McCormick, Newberry and Saluda.

Group Home Reimbursements Increase - HHS receives \$900,000 to grant a 10% increase in the payments, which range from \$11 per day to \$15 per day depending on the child's age, made to traditional (non-treatment) group care programs.

Physician's Reimbursement - HHS receives \$3M to enhance reimbursement for physicians who care for Medicaid recipients.

Department of Health and Environmental Control:

Improve Water Quality - D.H.E.C. was given \$3,970,134 to implement pollution reduction strategies for impaired waterways. The agency will monitor the waterways, determine where pollutants are entering, and begin to correct the problems. There are 900 waterways statewide that will be examined.

Contaminated Hazardous Waste Site Cleanup Fund - \$750,000 is allocated to clean-up sites across the state where dangerous chemicals have been dumped into the environment.

Food Service Inspections & Dairy Product Testing - D.H.E.C. was allocated \$2,637,554 to conduct restaurant food inspections and certify the food as safe for consumption. Additionally, this money goes towards dairy testing to assure that South Carolina can ship "Grade A" dairy products.

Infectious Disease Prevention; Tuberculosis & Sexually Transmitted Diseases - \$5,379,519 is appropriated for the Prevention of Tuberculosis and Sexually Transmitted Diseases to avert epidemics.

AIDS Drug Assistance Program - D.H.E.C. was given \$3,000,000 that funds medications for AIDS patients and will help shorten the wait list for those waiting for treatment.

Infant Mortality Reduction - D.H.E.C. was given \$1,136,160 to help raise South Carolina's infant mortality rate. Currently D.H.E.C. is able to monitor approximately 38% of Medicaid births, but this will allow them to monitor close to 90%.

Vaccine Purchases for Under-Insured Children & Adolescents - The agency was given \$2,397,192 to provide the TDAP and MMR vaccinations to those who otherwise would be unable to afford them.

Prevention of Diabetes and Other Chronic Disease Disparities - D.H.E.C. was given \$3,616,141 for Diabetes prevention in areas that have shown predominately high rates of these diseases. Part of this initiative will provide education to registered nurses in these areas.

Hemophilia Patient Services - \$200,000 was allocated to help with services provided to those suffering from Hemophilia.

Interstate Cooperation Monitoring Program - D.H.E.C. was given \$756,077 to prevent neighboring states from polluting and affecting the waterways that South Carolina shares.

Facilities Improvements - D.H.E.C. was given \$2,500,000 to improve and repair facilities that have been worn down over time.

Comprehensive Youth Tobacco Program & Cessation - D.H.E.C. was given \$2,000,000 for Tobacco education to South Carolina's youth for prevention purposes.

Onsite Water Systems - There was \$920,589 appropriated for inspections needed for development in South Carolina. This money will improve the wait time for these inspections, which is currently a wait of 6-8 weeks.

Beach Renourishment - D.H.E.C. was given \$5,000,000 to help with beach erosion and other environmental problems affecting South Carolina's beaches.

Air Quality Improvement - D.H.E.C. was given \$1,251,047 to help improve the air quality in South Carolina by identifying and repairing pollutant sources within the state.

Hazardous Waste Site Supervision - D.H.E.C. was given \$333,985 to perform hazardous waste site inspections around the state.

SUPERB Fund - D.H.E.C. was given \$5,000,000 to help replenish the SUPERB Fund that provides help to tank operators across the state when environmental issues arise.

Organ Donor Registry - D.H.E.C. was given \$573,800 to institute a statewide organ donor registry.

Reedy River Restoration Project - The Reedy River Bank Restoration is funded at \$2,092,500 to stabilize the river bank and prevent further release of municipal solid waste. Additionally, it provides cover material as needed to minimize direct exposure to humans and the environment.

Beach Outfall Pipe Removal - D.H.E.C. was given \$5,000,000 to help with outfall pipe removal along the coastline of South Carolina's beaches based on need.

Department of Mental Health:

Inpatient Care and Veterans Homes - DMH receives \$5,025,000 to operate Victory House located in Walterboro, which is the new 220-bed veterans' home that opened in the Fall of 2006. The funding also covers the operation costs of 35 acute psychiatric inpatient beds for Bryan Psychiatric Hospital.

Nursing & Clinical Staff Recruitment & Retention - DMH receives \$1,500,000 for salary increases or other incentives necessary to keep experienced nurses and clinicians and attract new staff to replenish the agency's aging clinical workforce.

Critical Outpatient Mental Health Service - DMH receives \$5,400,000 for statewide outpatient services for 1,000 children-at-risk, crisis services for 1,000 adults and 40 beds for difficult-to-place patients coming out of institutional care.

Sexual Predator Civil Commitment Program - DMH receives \$4,395,612 to increase program staff to accommodate the increase of individuals in the program. These individuals currently reside in the old death row area of the Edisto Building at the Broad River Correctional Facility.

Department of Disabilities and Special Needs:

Annualization of Recurring Services Funded with Supp. Appropriations - DDSN receives \$11,400,000 to annualize with recurring state dollars recurring services that were funded with supplemental (one-time) appropriations last year. This helps to maintain existing services in three important areas. The new recurring dollars will fund 130 residential waiting list beds, in-home support services for 1,500 consumers with severe disabilities, and the pilot program for approximately 150 children diagnosed with a Pervasive Developmental Disorder.

Special Olympics - The SC Chapter of Special Olympics receives \$25,000 to assist with the operation expenses.

Pervasive Development Disorder Waiver - DDSN receives \$4,500,000 in new funds to expand the Early Intensive Behavior Intervention Treatment program. This funding will serve an additional 220 children statewide who have a diagnosis of Pervasive Developmental Disorder including Autism and Asperger's Syndrome.

Greenwood Genetics Center - The Greenwood Genetics Center receives \$821,000 to provide the funding, which was loss due to changes in Medicaid reimbursement, necessary to maintain the center's prevention efforts.

Traumatic Brain or Spinal Cord Injury Post Acute Rehabilitation - Funding in the amount of \$4,500,000 is appropriated for a statewide post-acute rehabilitation program for people with traumatic brain injury or spinal cord injury. Currently South Carolina has a serious gap in access to the specialized rehabilitation needed by these individuals.

SC Center for the Treatment of Genetic Diseases - The Greenwood Genetics Center receives \$3,500,000 for the construction of a center for the treatment of genetic diseases on the campus of the Greenwood Genetic Center.

Camp Spearhead - Camp Spearhead, a camp for children with disabilities and special needs, received \$1,000,000 for construction of a new facility and permanent home located at Pleasant Ridge Park.

Department of Alcohol and other Drug Abuse Services:

Chemical Dependency Community Based Prevention & Treatment

Services - D.A.O.D.A.S. was given \$325,000 to provide prevention and treatment services to South Carolinians suffering from addiction.

Aid to Entities; Alcohol and Drug Intervention - \$2,300,000 was allocated to D.A.O.D.A.S. to disperse to its treatment centers across the state that serve those in need.

LRADAC New Building - \$5,000,000 is given to the construction of a new operations facility for LRADAC, which is centrally located and serves citizens from all across the state.

Department of Social Services:

Child Support Enforcement - \$16,000,000 was allocated to D.S.S. for lost funds due to Federal Fines from the Automation of the Child Support Enforcement System. This appropriation will help with the daily operations of the Agency.

Callen Lacy Center - \$200,000 was allocated to the Callen Lacy Center, an emergency shelter for children.

Children In Crisis - \$100,000 was given to the Children in Crisis program to help less fortunate children in South Carolina.

Sea Haven - \$100,000 was appropriated to Sea Haven which provides help to troubled youths through residential care and sponsorship of community based activities and services.

Children's Advocacy Center - \$700,000 was allocated to help three different Children's Advocacy Centers with their mission to help emotionally and physically abused children.

ECONOMIC DEVELOPMENT, NATURAL RESOURCES & TOURISM

Agriculture:

South Carolina Quality - The quality program receives \$750,000 for increasing consumer awareness, promotion of SC products, and alternative fuels campaign.

Farmers Market - Relocation costs have risen by \$19 million due to inflation, engineering setbacks and two bridge redesigns. The current budget is \$27 million, which includes \$10 million of State Capital Improvement Bonds and \$14,850,000 from the future sale of the current site.

Bio Diesel & Ethanol Testing - The department receives \$300,000 for testing of these alternative fuels for producers and consumers using national standards.

Clemson PSA:

Agribusiness, Biotech, Genetics - The agency will receive \$3.6 million for capital improvements to its' research facilities.

Agricultural Production & Animal Health - Funds for additional research personnel is funded with \$2.5 million new dollars. The 16 positions will focus on services to grow the state's agriculture, protect animal health, and develop new technologies.

Biotechnology Research Initiative - Five faculty positions are funded with \$600,000 to help grow life sciences industry.

Genetics and Human Nutrition Research - Four additional research positions are funded with \$600,000 to improve health through science and technology.

Parks, Recreation and Tourism:

Advertising Statewide - PRT receives \$10 million for advertising. The tourism industry has an impact of \$16 billion annually on the economy of the State.

Destination Specific Advertising - The program began in the current fiscal year with \$5 million non-recurring funds. \$10 million is provided and each state dollar is matched with \$2 private funds.

Product Development - To assist communities throughout the state with the development of tourism trade, \$5 million is provided.

Parks and Recreation Development Fund (PARD) - In addition to the bingo revenue designated for this program, and additional \$8,450,000 is provided. Bingo revenue has dropped from about \$3.2 million the first year to \$1.2 million last year. A statutory formula distributes funds to counties and to State Parks.

Manufacturing Alliance "Made in South Carolina" - This program is provided \$750,000.

Department of Commerce:

Venture Capital Program Funding - The program requires specialized legal services and audit services and \$197,500 is provided.

Closing Fund - This fund is continued for the second year with \$7 million. The funds are used to recruit industry by assisting in relocation costs, land acquisition, and on-site improvements. Presently \$4 million has been committed for economic development projects.

Canadian Office Funds - The agency is provided \$415,000 to open an office.

Global Business Development - The department is provided \$170,000 for 3 additional project managers in the Global Business Development program and 2 other funded FTEs for the Incentive and Tax Section.

Agency Programs and Operating - The agency is provided \$115,000 to maintain agency recruitment efforts.

Community Development Block Grant Funding - This program provides grants for economic development, water, sewer, and housing for low and moderate income communities. \$150,000 is provided for matching funds.

State Ports Authority:

Harbor Dredging - State matching funds of \$2.4 million is provided towards the \$10.5 million remaining of the state's share of \$39 million for this \$148 million project.

Law Enforcement and Criminal Justice

Judicial Department:

Court Technology - The Judicial Department receives \$2,517,101 for court technology, which includes five FTEs, hardware and software purchases, rewiring of the Supreme Court, and retrofitting meeting rooms in the Supreme Court and Court of Appeals.

Travel Funds - The Judicial Department receives \$1,000,000 to help comply with the State Constitution, which requires judicial rotation.

South Carolina Law Enforcement Division:

Investigative Services - SLED receives \$1,090,243 for eight Investigative Service Agents and two Arson/Bomb Unit Agents.

Forensic Services - SLED receives \$1,474,804 for forensic services, which includes nine Scientists and equipment, and will help the increasing backlog of DNA/toxicology lab results.

Vehicle Replacement - SLED receives \$1,870,000 to replace 75 vehicles.

Attorney General:

Internet Sex Predator Prosecutors - the Attorney General receives \$561,19 for Internet Sex Predator Prosecutors for the growing problem of Internet sex crimes against children.

Civil Environmental Attorney - the Attorney General receives \$179,418 for Civil Environmental Attorney to represent South Carolina in multi-state litigation over water supply issues.

Commission on Indigent Defense:

Civil Appointment Fund - Indigent Defense receives \$2,500,000 for the Civil Appointment Fund. This fund provides services for indigent clients in cases involving abuse and neglect, protective placement and termination of parental rights.

Defense of Indigents Per Capita - Indigent Defense receives \$2,000,000 for the defense of indigents per capita, due to an increasing workload.

Death Penalty Trial Unit - Indigent Defense receives \$500,000 for the purpose of assisting rural counties in death penalty trials.

Department of Corrections:

Facility Maintenance - Corrections receives \$4,000,000 for maintenance projects including roof repair, plumbing, flooring, fences and heating and air systems.

Turbeville - Operating Funds - Corrections receives \$767,754 for operating funds at the Turbeville Correctional Institution (corrects annualization).

Broad River 250 Bed Housing Unit - Corrections receives \$2,685,832 for operating funds and 23 FTE positions for the Broad River Institution.

16 Bed Lock-Up Units at MacDougall/Wateree Institutions - Corrections receives \$1,000,000 for operating funds for these units.

Vehicle/Communication Equipment - Corrections receives \$2,000,000 to purchase communication equipment and replace vehicles.

Department of Probation, Parole & Pardon Services:

GPS Monitoring - PPP receives \$940,660 for GPS monitoring for non-Jessie's Law, Jessie's Law and Criminal Domestic Violence offenders.

2nd Year Funding for Jessie's Law - PPP receives \$500,000 for year two of funding for Jessie's Law.

Department of Juvenile Justice:

Intensive Probation & Parole Supervision - DJJ receives \$1,826,454 for expansion of the program which includes 21 officers into additional counties and includes an annualization of two months.

Replacement of Obsolete Dormitories - DJJ receives \$7,660,374 for the replacement of two dormitories.

Department of Public Safety:

Technology, Grants Programs, and HR - DPS receives \$785,200 for information technology, computers in cars, and staff to build the systems in the vehicles.

New Law Enforcement Officers - DPS receives \$9,254,024 for 100 new troopers and cars and equipment for each.

Fleet Rotation - DPS receives \$5,000,000 to purchase approximately 205 cars.

Department of Natural Resources:

Law Enforcement - DNR receives \$1,730,400 for 25 law enforcement officers and equipment for each.

Marine Infrastructure - DNR receives \$5,000,000 for emergency repairs at the Marine Research Institute.

Upgrade VHF Radio System - DNR receives \$5,000,000 to upgrade the VHF Radio System that they presently have.

Information Technology - DNR receives \$2,500,000 for information technology.

TRANSPORTATION AND REGULATORY

Labor Licensing and Regulation:

VSAFE Fire Fighter Grants (H.3045) - receives \$3,000,000 in non-recurring funding for the Volunteer Firefighter bill which would allow firehouses to apply for grants up to \$30,000 to be used to purchase equipment. The firefighters association will develop criteria and will administer the grants.

Urban Search and Rescue - The SC Emergency Response Task Force Urban Search and Rescue Program receives \$983,850 in non-recurring funding. These funds are necessary to cover costs ranging from equipment maintenance, to malpractice and Worker's Compensation insurance for civilian medical members to work in a disaster. This program involves finding, extricating, and performing initial medical stabilization of victims trapped in confined spaces. Structural collapse is most often the cause of victims being trapped but this program is often used to search for victims of flooding and to provide assistance to local fire departments in technical rescue.

The Department of Transportation:

Smart-ride - receives \$380,000 in non-recurring funding. Smart-ride is a part of Mass Transit whose focus is on business commuters.

Reopen Rest Areas - receives \$723,000 in non-recurring funding to reopen 4 rest areas without facilities. (Aiken, Darlington, Dorchester and Jasper) Truck Drivers have a mandated rest period after 10 hours of driving. Re-opening these truck rest areas would give these truck drivers a place to pull off rather than using road ramps or sides of roads.

Mass Transit - This program receives \$2,000,000 in non-recurring funds, which will be matched with federal money and then be distributed by formula to local Mass Transit providers.

County Transportation Committees Funding - receives \$2,000,000 in non-recurring funding. This will be distributed to local CTC's by existing formula for State Road repair.

The Fiscal Year 2007-2008 General Appropriations Act, H.3620, also contains Part II **PERMANENT LAW PROVISIONS:**

A permanent law provision **REVISES THE INDIVIDUAL INCOME TAX BRACKET PROVISIONS** found in statute so as to reduce the top marginal tax rate from 7% to 6.8%.

A permanent law provision establishes the **OTHER POST EMPLOYMENT BENEFITS TRUST FUND (OPEB)** and makes other revisions to state retirement systems provisions to bring South Carolina into compliance with new federal requirements of the Government Accounting Standards Board.

A permanent law provision requires that the South Carolina Transportation Infrastructure Bank annually shall set aside an amount equal to five million dollars for the use of the Department of Transportation for the **INTERSTATE HIGHWAY 73 AND INTERSTATE HIGHWAY 74 PROJECTS**.

A permanent law provision establishes comprehensive **RESTRUCTURING OF THE SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION** to enhance accountability at the agency responsible for the State's roads. The Part II proviso incorporates the language approved by the House Ways and Means Committee.

Secretary of Transportation

The legislation establishes the position of Secretary of Transportation to be appointed by the Governor and serve at his pleasure. The Secretary replaces the department's existing chief administrative officer, the Director who is appointed by the Department of Transportation Commission under current law. The Secretary of Transportation appoints a deputy director for each the department's division to serve at his pleasure, except for the internal audit director and internal auditors who shall report to and serve at the pleasure of the commission. The DOT District Engineering Administrators or individuals performing the function of district engineering administrators who oversee the seven Highway Engineering Districts, serve at the Secretary's pleasure.

Reorganization of the Department of Transportation Commission

The legislation revises the composition of the Department of Transportation Commission and provides for new qualifications criteria, election procedures, terms of office, and compensation limits. The legislation eliminates the current provisions under which one commissioner is elected from each of the State's six congressional districts by the district's legislative delegation in the General Assembly with a seventh at-large member selected by the Governor with the advice and consent of the Senate. Instead, the commission is composed of one member from each of the State's seven highway engineering districts elected during a joint assembly of the House and Senate. The legislation provides that a commissioner must have at least a baccalaureate degree or a background of at least five years in a combination of the following: (a) transportation; (b) construction; (c) finance; (d) law; (e) environmental issues; (f) management; or (g) engineering. A member of the General Assembly is not eligible for election as commissioner until he has been out of office for at least one year. A Transportation Review Committee is established to screen candidates for appointment to the commission. The review committee is composed of ten members, three of whom must be members of the House of Representatives, including the Chairman of the Education and Public Works Committee, or his designee, and the Chairman of the Ways and Means Committee, or his designee, and one member appointed by the Speaker of the House of Representatives. Three of the members must be members of the Senate, including the Chairman of the Transportation Committee, or his designee, the Chairman of the Senate Finance Committee, or his designee, and one member appointed by the President Pro Tempore of the Senate. Two members of the committee must be appointed by the Speaker of the House of Representatives from the public at large, and two members of the committee must be appointed by the President Pro Tempore of the Senate from the public at large.

Each commissioner shall serve for a term of three years. Initial terms of service are, however, structured to allow for staggered terms for the replacement of commissioners. Commissioners shall continue to serve until their successors are elected and qualify, however, a person may not serve as a commissioner for more than two three-year terms or six years. Each successive commissioner must be appointed from a different county within a highway engineering district based upon the alphabetic order of the counties within the district. Members of the commission may be removed for cause.

The chairman of the commission shall be a commissioner elected by a majority vote of the members of the commission and serve a term of two years. Commissioners receive one thousand dollars for each month of service for district expenses and must be reimbursed for per diem and mileage as is provided for members of the General Assembly when traveling to Columbia for official commission functions.

Activities Requiring Commission Approval

The legislation requires the commission to approve the following activities: (1) the sale of surplus property by the department; (2) the advertisement for consultant contracts and authorize the selection of consultants by department personnel; (3) the adding to and deletion of roads from the State Highway System; (4) the awarding of contracts by the department; (5) the department's annual budget; (6) the state transportation plan; (7) the dedication and naming of highway facilities by the department; (8) any contract entered

into by the department with a value in excess of five hundred thousand dollars; (9) additional contracts entered into by the department during a fiscal year with an entity that has already received individual contracts during that fiscal year that together are worth at least five hundred thousand dollars; and (10) all contracts relating to road construction and maintenance.

Project Priority List

The legislation requires the department to establish a priority list of projects to be undertaken. Once the priority list has been established, it shall not be changed without two-thirds approval by the commission at the request of the Secretary of Transportation. When compiling this list of projects, the department shall use, but is not limited to use, the following criteria: (1) financial viability; (2) public safety; (3) potential for economic development; (4) traffic volume; (5) truck traffic; (6) the pavement quality index; and (7) environmental impact.

The department shall promulgate regulations that utilize these criteria for ranking projects in each highway engineering district. The commission shall annually review a road maintenance and bridge repair plan within each highway engineering district.

Public Hearings on Projects

The department shall conduct a public hearing in each county in which a public hearing is required by federal regulations to allow the department to share information regarding the project with the local community and to allow the local community to address its concerns with department officials. The hearing must include the opportunity for members of the public to address a hearing officer in a format in which comments can be heard by the general public attending the hearing or in a private setting, whichever is the speakers' choice.

South Carolina Procurement Code Exemptions

The legislation eliminates the DOT's expansive procurement code exemption and, instead, exempts from the South Carolina Procurement Code the construction, maintenance, and repair of bridges, highways, and roads by the Department of Transportation when these projects receive federal funding and must comply with applicable federal laws and regulations. The legislation exempts the South Carolina Transportation Infrastructure Bank, Councils of Government, County Transportation Committees, and Metropolitan Planning Organizations from the provisions of the South Carolina Procurement Code.

Audits

The legislation requires procurement audits to verify the validity of DOT Procurement Code exemptions.

The legislation creates an Internal Audit Division within the DOT and requires the division deputy director for internal audits to examine the finances of the department and provide an annual financial report to the commission.

The Legislative Audit Council is required to contract for an independent performance and compliance audit of the department's finance and administration division, mass transit division, and construction engineering and planning division. This audit should be completed by January 15, 2009. The Legislative Audit Council may contract for follow-up audits or conduct follow-up audits as needed based upon the initial findings. The costs of these audits are an operating expense of the department. Copies of these audits must be made available to the Governor and the chairmen of the Senate Finance and Transportation Committees, and the House of Representatives Ways and Means and Education and Public Works Committees.

Ethics Provisions

The legislation creates a Division of Human Resources within the DOT and requires the deputy director for human resources to: (1) employ an ethics compliance officer to ensure that the department's employees and commission comply fully with all laws that govern their ethical conduct, and (2) conduct two hours of mandatory ethics training seminars for all department employees and commissioners on a biennial basis. However, a mandatory two-hour ethics seminar must be conducted for each newly-hired employee and newly-elected commissioner within one month of their employment or election.

The legislation subjects the Department of Transportation Commission and the department's employees to the legal restrictions imposed upon the activities of lobbyists and lobbyists' principals.

The legislation requires DOT District Engineering Administrators to file a statement of economic interests.

New Funding

The legislation provides that in calculating estimated state individual and corporate income tax revenues for a fiscal year, the Board of Economic Advisors shall deduct the following amounts that must be credited to the Department of Transportation for road construction and maintenance as follows: for Fiscal Year 2007-2008: \$40 million; for Fiscal Year 2008-2009: \$80 million; for Fiscal Year 2009-2010: \$120 million; for Fiscal Year 2010-2011: \$160 million; and for Fiscal Year 2011-2012 and thereafter: \$200 million. In each of these fiscal years, the Department of Transportation must utilize half of these funds for an annual contribution from non-state tax resources to the State Highway Account of the South Carolina Transportation Infrastructure Bank and the other half of these funds for an annual contribution to the State Non-Federal Aid Highway Fund of the South Carolina Department of Transportation for maintenance and construction with seventy-five percent of the funds designated for maintenance and twenty-five percent designated for construction.

HOUSE COMMITTEE ACTION

The committees did not meet this week while the budget was taken up by the full House.

BILLS INTRODUCED IN THE HOUSE THIS WEEK

AGRICULTURE, NATURAL RESOURCES, AND ENVIRONMENTAL AFFAIRS

S.448 *ELK HUNTING* Sen. Martin

This bill provides that it is unlawful to take or attempt to take elk. A person convicted of violating the provisions of this section is guilty of a misdemeanor and, upon conviction, must be fined not more than twenty-five hundred dollars or imprisoned for not more than thirty days, or both.

H.3700 *SPOT-TAIL BASS* Rep. Bowers

This bill provides that the daily catch limit on spot-tail bass is five fish per day.

H.3712 *FORESTRY PROFESSIONALS* Rep. Witherspoon

This bill provides for and clarifies professional forestry standards and practices as well as revises procedures for licensing of forestry professionals.

EDUCATION AND PUBLIC WORKS

S.291 *ADDITIONAL LOANS FOR STUDENTS MAJORING IN SCIENCE, MATH OR EDUCATION* Sen. Ritchie

This bill provides that a resident student who has completed at least 60 credit hours and is attending a four-year public or private institution in this state, majoring in science or mathematics or education, and receiving a Palmetto Fellows Scholarship or LIFE Scholarship shall receive an additional Palmetto Fellows Loan or additional LIFE Loan under certain circumstances. Under certain circumstances, a recipient of a Palmetto Fellows Loan or LIFE Loan may have up to one hundred percent of the amount of the loan plus interest on the loan canceled. Both loan programs are administered by the South Carolina Student Loan Corporation.

H.3723 *EXTERNAL DEFIBRILLATOR PROGRAM FOR HIGH SCHOOLS* Rep. Neilson

This bill requires each school district to develop and implement an external defibrillator program for each high school in the district. The program must include certain components including: that a defibrillator must be provided on the grounds of each high school; that district employees and volunteers reasonably expected to use the device are trained in its use, and that these devices are periodically inspected and annually maintained.

H.3725 *"RELIABILITY IN EXPERT TESTIMONY STANDARDS ACT"*

Rep. Barfield

This bill enacts the "Reliability In Expert Testimony Standards Act" so as to provide circumstances under which lay witnesses may offer opinion testimony.

JUDICIARY

S.103 SCHOOL SMOKING PROHIBITIONS Sen. Jackson

This bill deletes provisions of the Clean Indoor Act that allow smoking in certain private offices and teacher lounges at schools. This bill also prohibits individuals from smoking or possessing lighted smoking materials in any form in indoor areas and in outdoor areas of public schools and preschools. The bill provides that a person who fails to comply with these provisions must be referred to smoking cessation services.

S.213 "PREVENTION OF UNDERAGE DRINKING AND ACCESS TO ALCOHOL

ACT OF 2007" Sen. Lourie

This comprehensive legislation addresses the problem of underage drinking and access to alcohol. Among other things, the legislation:

- Requires the registration of kegs;
- Creates the offense of illegal purchase of alcoholic liquors for another's consumption on premises;
- Requires that criminal charges be brought against both the seller and purchaser regarding the illegal sale of alcoholic liquors and beverages to minors;
- Provides an exception for the use of minors by law enforcement under certain circumstances;
- Equalizes the penalties for the purchase or possession of beer, wine and alcoholic liquors by minors;
- Requires completion of certain alcohol prevention education or intervention programs under certain circumstances; and
- Increases penalties for various violations.

S.529 EXTENSION OF TIME FOR REPORT OF EMINENT DOMAIN STUDY COMMITTEE Sen. Gregory

This joint resolution provides that the time in which the Eminent Domain Study Committee shall submit its report to the Chairman of the Senate Judiciary Committee, the Chairman of the House Judiciary Committee, and the Governor be extended from March 15, 2007, to April 17, 2007, at which time the committee then shall be dissolved.

H.3697 "RIGHT TO LIFE ACT OF SOUTH CAROLINA" Rep. Davenport

This bill establishes that the right to life for each born and preborn human being vests at fertilization. The bill also provides that the rights of due process and equal protection, guaranteed by Article I, Section 3 of the State Constitution, vest at fertilization for each born and preborn human person. The bill defines "human being" or "human person" as every member of the species homo sapiens at all stages of life, including at fertilization.

H.3703 CONTINUOUS ALCOHOL MONITORING Rep. G.R. Smith

This bill provides for the continuous alcohol monitoring of persons convicted of a second or subsequent violation of the provisions that make it unlawful to operate a motor vehicle while under the influence of alcohol, drugs, or an illegal substance.

**H.3715 ENHANCED PENALTY FOR PERSONS AFFILIATED WITH A
SCHOOL
IN AN OFFICIAL CAPACITY WHO COMMIT CERTAIN OFFENSES
AGAINST A STUDENT Rep. Talley**

This bill provides that a person affiliated with a school in an official capacity who is convicted of certain offenses (such as criminal sexual conduct, exploitation of a minor or kidnapping) against a student shall have his sentence increased by five years in addition to the penalty for the underlying offense. The service of the additional five-year sentence is mandatory and no part of the five-year sentence may be suspended nor probation granted.

LABOR, COMMERCE AND INDUSTRY

H.3698 UNLAWFUL SELECTIVE LIMITATION OF INSURANCE OFFERINGS

Rep. Clemmons

This bill provides that no insurer may selectively limit its insurance offerings in South Carolina defined as failing to offer a kind or line of insurance which the insurer or an affiliated insurer offers in another jurisdiction. The legislation provides that an insurer, in administering its underwriting practices, must make meaningful and nondiscriminatory offers to write particular lines of insurance throughout this State. The legislation provides that in regard to property insurance an insurer must take into account both national factors as well as loss factors particular to this State when viewed over a specified period of time of not less than twenty-five years. An insurer's violation of these provisions is considered an unfair insurance trade practice.

H.3711 JOINT AUTHORITY WATER AND SEWER SYSTEMS ACT

Rep. Sandifer

This bill redesignates the "Joint Municipal Water Systems Act" as the "Joint Authority Water And Sewer Systems Act." The legislation provides for the appointment of members of a joint authority water and sewer system commission that may consist of no more than eleven members. The legislation provides that a change in the membership of a joint system is not final until notice of the change is filed with the Secretary of State. The legislation authorizes a joint system to enter a contract to sell water or provide sewer service.

H.3722 LICENSURE AND REGULATION OF ENGINEERS AND LAND SURVEYORS

Rep. Scott

This bill revises provisions for the licensure and regulation of engineers and land surveyors, so as to, among other things, establish a state policy to encourage the development and promote the accountability of professional engineers. The legislation provides staggered terms for members of the State Board of Registration for Professional Engineers and Surveyors. The legislation revises the cap on civil fines. The legislation authorizes the board to waive state licensing and credentialing requirements during a state of declared public emergency. The legislation provides for the licensure and regulation of surveyors, rather than land surveyors. The legislation eliminates Category A Engineer licensure and to provide that Category B Engineers may continue to practice until July 1, 2020, at which time Category B Engineering ceases to exist. The legislation revises educational requirements for licensure as an engineer and for certification as an engineer-in-training.

H.3726 VOLUNTARY DISSOLUTION OF SPECIAL PURPOSE DISTRICTS

Rep. Cato

This bill allows the governing body of a special purpose district to voluntarily dissolve itself and transfer its assets and liabilities to a county if accepted by resolution of the county's governing body.

MEDICAL, MILITARY, PUBLIC AND MUNICIPAL AFFAIRS

H.3721 *SURGICAL TECHNOLOGY AND OPERATING ROOM CIRCULATORS*

Rep. Howard

This bill outlines the requirements for a person to practice surgical technology. The bill also provides that an operating room circulator must be a registered nurse and provides the conditions under which a surgical technologist may assist in performing operating room circulation duties.

WAYS AND MEANS

S.321 *SOUTH CAROLINA NONPUBLIC POST SECONDARY INSTITUTION LICENSE ACT REVISIONS* Sen. Alexander

This bill revises definitions of the South Carolina Nonpublic Post Secondary Institution License Act. The legislation provides for further exclusions from the act's definition of a "nonpublic educational institution." The legislation revises provisions relating to bonds or collateral for the protection of student tuition and fees, so as to further provide for the purpose for which the proceeds of a surety bond and monies in the Tuition Guaranty Fund, renamed the Student Recovery Fund, may be used.

H.3701 *STATEWIDE PROPERTY TAX MILLAGE FOR PUBLIC SCHOOL OPERATIONS* Rep. Bowers

This bill provides that the General Assembly annually by joint resolution shall impose a statewide millage on all real and personal property subject to property tax in this state for the purpose of raising revenue for public school operations. The joint resolution imposing the tax shall provide the plan of distributing the revenue for the applicable fiscal year to the school districts of the State. The legislation exempts one hundred percent of the fair market value of all real and personal property subject to property tax in this State from property tax millage imposed by a school district for school operations.

H.3702 *PROPERTY TAX EXEMPTION FOR RESIDENTIAL PROPERTY CONSISTING OF FOUR OR FEWER UNITS* Rep. Bowers

This bill provides for an exemption from the property tax on residential property consisting of four or fewer units in amounts of fair market value sufficient to equal an assessment ratio of four percent on the property.

H.3709 *APPROPRIATION OF STATE HIGHWAY FUNDS BY THE GENERAL ASSEMBLY* Rep. Thompson

This bill revises provisions relating to the State Highway Fund, the State Non-Federal Aid Highway Fund, and financial operations of the Department of Transportation, so as to require the General Assembly affirmatively to appropriate the revenues of these funds in the annual general appropriations act to the Department of Transportation in the same manner that general fund revenues are appropriated for the operations of cabinet agencies. The legislation prohibits the appropriation of these revenues for any purpose unrelated to the mission and operations of the Department of Transportation, establishes priorities in the appropriation of these funds, and adjusts the state budget process to reflect these changes.

H.3710 TARGETED JOBS TAX CREDIT COUNTY DESIGNATIONS

Rep. McLeod

This bill revises targeted jobs tax credit provisions, so as to provide that in a county designated "moderately developed" which is contiguous to at least four counties designated "distressed" or "least developed", the credit allowed is one tier higher than the credit for which the county would otherwise qualify.

**H.3713 EMPLOYEE INSURANCE INCENTIVES FOR PARTICIPATION IN
HEALTH PROMOTION/DISEASE PREVENTION PROGRAMS**

Rice

This bill directs the Employee Insurance Program of the Budget and Control Board to develop, for employees and participating spouses, an incentive plan in order to encourage participation in programs that promote health and prevention of disease. The legislation provides that the Employee Insurance Program, upon approval of the Budget and Control Board, is further directed to implement a premium reduction or other financial incentive, beginning on January 1, 2008, for those employees and their spouses who participate in these programs.

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